

**CITY OF OKANOGAN**  
**Okanogan County, Washington**  
**January 1, 1992 Through December 31, 1992**

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**Schedule Of Findings**

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1. City Should Limit Expenditures To The Amounts Appropriated

During our audit of the City of Okanogan's records, we found that expenditures exceeded appropriations for 1992 as follows:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Amount Exceeded</u>
Local Development Matching Fund (LDMF) Grant	\$ 4,128	\$ 25,243	\$21,115
Capital Improvement Projects (CIP)	-0-	2,547	2,547
Water-Sewer	437,627	443,608	5,981

City's are prohibited by state law from incurring expenditures in excess of the budget appropriations.

*Revised Code of Washington* (RCW) 35.33.121 states in part:

. . . the expenditures of a city or town funds or the incurring of current liabilities on behalf of the city or town shall be limited to . . .

(1) the total amount appropriated for each fund in the budget for the current fiscal year . . . .

RCW 35.33.125 states in part:

The clerk shall issue no warrant and the city or town legislative body or other authorized person shall approve no claim for an expenditure in excess of the amount appropriated for any individual fund . . . .

When appropriations are exceeded, this eliminates the public's input into the related expenditures.

In the case of the LDMF fund, the city incorrectly believed that a multiple year project did not require an appropriation for 1992. In the case of the other funds, the city used improper methods for monitoring the status of expenditures relative to appropriations.

We recommend that the budgets be correctly monitored such that all expenditures are supported by appropriations.